

6.06 Special Meetings and Notices. Special meetings of the Board of Directors for any purpose may be called at any time by the Chairman or by the President, or if they are unable or refuse to act, by the Vice President or by any two (2) Directors.

Written notice of the time and place of a special meeting and the nature of the business to be conducted shall be delivered personally to the Directors or sent to each Director by letter or by telegram, charges prepaid, addressed to him at his address as it is shown upon the records of the Association. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail or delivered to the telegraph company at or near the place in which the principal office of the Association is located at least three (3) days prior to the time of the meeting. In case such notice is delivered personally to any Directors as above provided, it shall also be delivered at least three (3) days prior to the time of the meeting. Such mailing, telegraphing or delivery as provided herein shall be due, legal and personal notice to each such Director. Notice of a special meeting shall also be posted in a prominent place or places within the Common Area of the Project at least three (3) days prior the time of the meeting.

6.07 Waiver of Notice. Before or at any meeting of the Board any Director may, in writing, waive notice of such meeting or consent to the holding of the meeting, and such waiver or consent shall be deemed equivalent to the giving of notice of the meeting. All such waivers or consents shall be filed with the records of the Association or made a part of the minutes of the meeting. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

6.08 Notice of Adjournment. Notice of adjournment of any Director's meeting, either regular or special, need not be given to absent Directors, if the time and place are fixed at the meeting adjourned.

6.09 Adjournment. A quorum of the Directors may adjourn any Directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the Directors present at any Directors' meeting, either regular or special, may adjourn, from time to time until the time fixed for the next regular meeting of the Board.

← 6.10 Quorum. One-third (2/3rd) of the authorized number of Directors but not less than two (2), shall be necessary to constitute a quorum for the transaction of business, except to adjourn as provided above. Every act or decision done or made by a majority of the Directors present at a meeting at which a

*Quorum
1/3 of Directors*

quorum is present shall be the act and/or decision of the Board, unless a greater number be required by law. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

6.11 Action Without Meeting. Any action by the Board may be taken without a meeting if all of the members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the Minutes of the proceedings of the Board. If the Board resolves by unanimous written consent to take action, an explanation of the action taken shall be posted at a prominent place or places within the Common Area of the Property within three (3) days after the written consents of all Board members have been obtained.

6.12 Board Meetings Open to Members. All regular and special meetings of the Board shall be open to all Members of the Association, and any holders of mortgages encumbering any portion of the Property; provided, however, that Association Members and/or mortgagees who are not on the Board may not participate in any deliberation or decision unless expressly so authorized by the vote of the majority of a quorum of the Board.

6.13 Executive Sessions. ~~The Board may, with the approval of a majority of a quorum of its Members, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive sessions shall first be announced in open session.~~

6.14 Fidelity Bonds. The Board may require that all officers and employees of the Association handling or responsible for Association or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

6.15 Liability and Indemnity of the Board and Officers. The Members of the Board and the officers of the Association shall not be liable to the Members of the Association for any non-willful tort or mistake of judgment, negligent or otherwise, except for their own individual willful misconduct or bad faith. Each Director and officer, to the fullest extent permitted by law, shall be indemnified by the Association and the Members as provided in Article X of these Bylaws.

6.16 Executive Committee. The Board of Directors shall have the power to appoint an Executive Committee composed of two (2) or more Directors, and to delegate to such committee any of the powers and authority of the Board in the management of the business and affairs of the Association, except the following :

(a) The approval of any action for which the California Nonprofit Mutual Benefit Corporation Law also requires approval of the Members or approval of a majority of all Members;

(b) The filling of vacancies on the Board;

(c) The fixing of compensation of the Directors for serving on the Board or on any committee;

(d) The amendment or repeal of bylaws of the adoption of new Bylaws;

(e) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;

(f) The expenditure of corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected.

The executive Committee shall be entitled to appoint members of any other committee if the Board fails to do so. The Board shall have the power to prescribe the manner in which proceedings of the Executive Committee shall be conducted. Minutes shall be kept of each meeting.

6.17 Nominations of Candidates for the Board. Nominations for election to the Board of Directors shall be made by a nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board, and at least one (1) Member of the Association. The Nominating Committee shall be appointed by the Board at least sixty (60) days prior to each annual meeting of the Members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

6.18 Powers and Duties of the Board.

(a) Powers. Subject to limitations of the Articles, of these Bylaws, of the Declaration, and of the California Nonprofit Mutual Benefit Corporation Law relating to action required to be approved by the Members or by a majority of Members, the activities and affairs of the Association shall be conducted and all of its powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of the Association to any person or persons, a management company, or committees however composed, provided that the activities and affairs of the Association shall

be managed and all of its powers shall be exercised under the ultimate direction of the Board. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these Bylaws :

(i) To exercise for the Association all powers, duties and authorities vested in or delegated to the Association and not reserved to the membership by other provisions of the Restrictions;

(ii) To generally manage the affairs of the Association;

(iii) After notice and hearing in the manner provided in Article IX below, to suspend the voting right of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association, provided that the notice of hearing is conducted as specified in Article IX of these Bylaws; and

(iv) To employ and/or remove a manager, independent contractor, or such other employees as the Board shall deem necessary, and to prescribe their duties.

(b) Duties. It shall be the duty of the Board to :

(i) See that all duties and responsibilities of the Board as set forth in the Restrictions are properly and timely performed;

(ii) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(iii) Keep or cause to be kept a complete record of all of its acts and doings and to present a statement of them to the Members at such times as it deems reasonably appropriate.

ARTICLE VII

Officers

Officers of the Association

7.01 Enumeration of Officers. The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer. The Association may also have, at the discretion of the Board of Directors, a Chairman of the Board, one or more Assistant Secretaries, one or more Assistant Treasurers and such other officers as may be appointed in accordance with the provisions of this Article VII. Officers other than the President need not be Directors. One person may hold two or more offices, except those of President and Secretary.

7.02 Election and Term of Office. The officers of the Association shall be elected annually by the Board of Directors at the regular annual organizational meeting of the Board of Directors. If election of the officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his resignation, removal, or other disqualification from service, or until his successor shall have been elected.

7.03 Removal and Resignation. Any officer elected or appointed by the Board may be removed by the Board whenever in its judgment the best interest of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any of the officer so removed. Any officer may resign at any time by giving written notice to the Board or the President or to the Secretary of the Association. Any such resignation shall not prejudice the rights, if any, of the Association under any contract to which the officer is a party. Any such resignation will take effect at the date of the receipt of such notice, or any later date specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

7.04 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, may be filled for the unexpired portion of the term in the manner prescribed in these Bylaws for regular election or appointment to such office.

7.05 President. The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He shall preside at all meetings of the members and of the Board. He may sign, with the Secretary or any other proper officer of the Association authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws or by statute to some other officer or agent of the Association; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

7.06 Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board.